

**Arizona Department of Real Estate (ADRE)
Education Advisory Committee (EAC)
Meeting Minutes**

Wednesday
December 6, 2017
10 a.m. – Noon
Arizona Department of Real Estate
Commissioner's Conference Room
2910 N. 44th Street
Phoenix, Arizona 85018

- I. Call to Order -
Commissioner Lowe called the meeting to order at 10 a.m.

II. Introductions & Welcome

Members present:

Marti Barnewolt
Marc Blonstein
Barb Freestone
Evan Fuchs- telephonically
Scott Goddard
Jim Hogan
Jon Kichen
Laura Kovacs- telephonically
Sherry Olsen
Mary Sand
Patrick Sheahan
Debbie Shields
Kelly Zitlow

Absent:

Holly Eslinger

ADRE Representatives present:

Judy Lowe, Commissioner

Louis Dettorre, Deputy Commissioner (DC)

Carla Randolph, Asst. Commissioner Licensing Services/ CIO (AC)

Jim Williams, Education Auditor

Abby Hansen, Executive Assistant

Public:

None

- III. Approval of August 24, 2017 Meeting Minutes
Commissioner Lowe asked for a Motion to approve the August 24, 2017 Meeting Minutes.
Upon a motion by Member Freestone, seconded by Member Zitlow the Minutes of the August 24, 2017 meeting were unanimously approved.
- IV. EAC Charge/Member – Appointments/Reappointments
No action, on agenda in error
- V. Deputy Commissioner Dettorre provided the following updates;
- DC Dettorre reviewed the Arizona Mexico Commission annual meeting held in Puerto Penasco, Sonora Mexico on 11/29-12/1/17.
Nearly 45 U.S. licensees received continuing education credit from Commercial Real Estate Seminars. Commissioner Lowe stated that Sonora has begun implementing licensing regulations on real estate sales and has enacted a Home Owners Association (HOA), known as the Condominium Regime Law to instill trust with International investors.
 - DC Dettorre provided an overview of investigations and complaints received since 2013 and the complaint review breakthrough project.
 - DC Dettorre informed the committee that ADRE has reduced license renewal fees for brokers and salespersons.
 - Commissioner Lowe provided an update to the committee including the following;

- The updated Model Broker Policy Manual is now on ADRE's website, and will be modified to include multi-housing property management, wire fraud and cyber security information.
- ADRE continues to focus on education, both for the consumer and the licensee.
- Commissioner Lowe attended the Association of Real Estate License Law Officials (ARELLO) annual conference at the end of September. A few of the topics were License Portability from a Federal perspective, the Financial Crimes Enforcement Network (FINCEN), a bureau of the U.S. Department of the Treasury which is focused on real estate and lending fraud, including money laundering. ARELLO executed a state occupational survey, the results have not been received. ARELLO is working closely with the Realtor Associations® regarding wire fraud and educating the consumer.
- Issues and solutions related to wire fraud in real estate transactions were discussed.
- It was announced that Commissioner Lowe has been appointed to serve on the ARELLO Executive Committee.
- The Department is beginning to run short of "Doing Business As" (DBA) names that can be approved.

Member Kichen asked how long before a name may be recycled. AC Randolph stated that as soon as the employing broker license terminates it is available.

Member Hogan asked if "group" may be used in a name. AC Randolph stated "no". Member Sheahan stated the name should be approved by ADRE prior to going to the Arizona Corporation Commission.

- Commissioner Lowe noted that locally the Department is observing an increase in real estate with lead generation by licensed and unlicensed individuals and stated that if a fee is paid from the commission it must be paid to a licensed individual and through their broker.
- Commissioner Lowe stated that another matter of concern is licensees acting as the investor and not disclosing that they are a licensee. As a Limited Liability Corporation, the Department's stance is that they must disclose they are a licensee and stand to gain from the sale of the property.

Member Hogan asked where that is stated in law. AC Randolph referenced and read A.A.C. R4- 28-701 Compensation Sharing Disclosure and R4-28-1101 E. 4, Duties to Client. Commissioner Lowe asked that this topic be tabled for the agenda for the next meeting.

- Commissioner Lowe announced that ADRE will be relocating to 100 N. 15th Ave., likely by May or June of 2018.

VI. Member Kichen and Member Hogan updated the committee regarding the Distance Learning Continuing Education Workgroup meeting in October. The group identified that the three biggest problems within distance learning continuing education are around quality of content, outdated information and individuals cheating by taking classes for others. Member Hogan stated online courses account for only about 10% of the total courses approved, but about 60% of licensees reporting continuing education at time of renewal are taking their courses online. Commissioner Lowe stated that ADRE has found that many times content is not relevant to Arizona.

VII. Volunteer Monitor Program Update- Jim Williams

- Reduced activity with the monitors due to the season. He gave assignments to nine monitors in November, and he should be doing sixty assignments a month.
- Reviewed education statistics as provided in the handouts.

VIII. Update on Pearson Vue – Subject matter expert meeting will be in January or February 2018.

IX. AC Randolph reviewed some of the recent requests the Department is seeing for course approval including reverse mortgage application and staging. She then followed with a review of the licensing statistics provided in the handout.

X. AC Randolph reviewed the 2018 meeting dates.

XI. Next EAC Meeting: March 15, 2018 10 a.m.

XII. Other Matters – Member Hogan announced the Distinguished Real Estate Instructor (DREI) Summit will be held in Tucson January 20-21, 2018 at the Desert Diamond Casino.

XIII. Call to the Public -none

XIV. Adjournment- Motion to adjourn by all; Noon

***Respectfully submitted this _____ day of March, 2018
Education Advisory Committee***

Commissioner Judy Lowe

Members of the Education Advisory Committee will attend either in person or by telephone conferencing.